



## 2014 Group Benefits Employer Markets Legislative Notice

### Employee Version

**Note:** The purpose of this Notice is to provide an overview of new laws primarily passed in 2014 that may impact your insurance policy. These laws apply to the extent that your policy has the applicable provisions in the contract.

**DISCLAIMER: The Hartford provides this Notice for informational purposes only. This Notice includes information that may impact policies issued by The Hartford, but does not constitute legal advice. You should continue to consult your employer's legal and HR resources for guidance on the application of the law(s) cited in this Notice.**

#### **Dependent Coverage**

The federal government now recognizes legally married same-sex couples as being married under federal laws. As a result, dependent spouse coverage under a Hartford policy is available to same-sex spouses as long as you and your same-sex spouse were legally married in a state that allows same-sex marriage. Your state of residence is not relevant for purposes of eligibility for dependent spouse coverage.

The following list of states passed legislation in 2014 affording same-sex couples the right to enter into a same-sex marriage. In the states noted below, the identical rights of opposite sex marriages (including insurance benefits) are now extended to same-sex marriages. For UT, OK, VA, IN, and WI, the state's recognition of same-sex marriage was the result of the U.S. Supreme Court's decision to deny review of the lower court's decision. Therefore, in those states, the lower court ruling, stating in general that bans on same-sex marriage are unconstitutional, held firm. For OR, PA, ID, and NV, the decision did not reach the U.S. Supreme Court.

State	Date that Same-Sex Marriage Becomes Legal
OR	5/19/2014
PA	5/20/2014
UT	10/06/2014
OK	10/06/2014
VA	10/06/2014
IN	10/06/2014



WI	10/06/2014
ID	10/15/2014
NV	10/7/2014

## Claims

### **State: New York Assembly Bill 7828**

**Effective Date: 11/13/2013**

New York explicitly prevents insurers from pursuing subrogation in tort cases (e.g., personal injury cases) or seeking reimbursement from claimants for settlements or judgments reached in tort cases. This law does not apply to a subrogation or reimbursement claim for recovery of benefits provided by Medicare or Medicaid, or pursuant to an insurance policy providing workers' compensation benefits.

## Disclosures

### **Colorado Bulletin B-4.72**

**Effective Date: 05/12/2014**

**Summary:** Carriers selling limited benefit health plans or hospital indemnity or other fixed indemnity policies must provide notice that such plans or policies do not provide the minimum essential coverage as mandated by the Affordable Care Act. The notice must also inform consumers that such plans or policies cannot coordinate benefits with major medical insurance policies and that consumers may be liable for a federal tax penalty unless they purchase health benefit plans that provide minimum essential coverage.

### **California Assembly Bill 1083**

**Effective Date: 1/1/2014**

**Summary:** Carriers selling critical illness, hospital income, or short term recovery policies must submit a certification to the state regarding these plans, certifying, among other things, that the supplemental disclosure form included with the policy states that the policy is not a substitute for essential health benefits or minimum essential coverage as defined in federal law.

### **California Assembly Bill 1747**

**Effective Date: 1/1/2013**

**Summary:** Carriers providing individual life coverage must provide notice of lapse or termination for nonpayment of premium, and notice of premium default. You will now be provided with notice of a right to designate an additional person to receive notice of lapse or termination of the policy for nonpayment of premium, and that additional person will be given



notice at least 30 days prior to the effective date of lapse or termination. Additionally, if we are required to provide you with a premium default notice, the premium default notice will be provided at least 30 days before the final lapse of the policy.

#### **California Assembly Bill 2347**

**Effective Date: 1/1/2015**

Summary: Carriers selling life, disability, accidental death and dismemberment, and limited benefit or supplemental health plans must provide notice of your right to return the policy or certificate. The notice in each policy or certificate will be changed to clarify that the policy or certificate can be returned by mail or other delivery method, and that the policyholder or certificate holder has the right to have any policy or membership fee paid refunded.

#### **Nevada Bulletin 13-011**

**Effective Date: 2/1/2014**

Summary: Carriers selling supplemental or limited health plans must provide a notice to Nevada resident consumers stating that the coverage does not constitute major medical coverage and does not satisfy the individual mandate of the Affordable Card Act because the coverage does not meet the requirements of minimum essential coverage.

#### **Dependent Coverage – Children**

#### **Michigan House Bill 5146**

**Effective Date: 3/1/2015**

Summary: For group life insurance policies, Michigan legislators have added definitions of “child” and “eligible dependent”. Child” includes a biological, legally adopted, and step or foster child of an employee or member who is dependent on the employee or member. “Eligible dependent” includes the legal spouse and child of an employee or member. As a result, newly issued impacted forms will include an updated definition of dependent child, which will now include foster children.

#### **Guaranty Association Notices**

The purpose of the Life and Health Insurance Guaranty Associations is to provide you with a limited benefit in the event that the insurance company becomes insolvent and can no longer pay claims. Each state provides coverage under its Life and Health Insurance Guaranty Association for each certificate holder under a group insurance policy. All insurance companies (with limited exceptions) licensed to write life and health insurance or annuities in these states are required, as a condition of doing business in the state, to be members of the Guaranty Association. The Hartford is required by law to provide the Guaranty Association Notice as a means of informing policyholders of the existence and purpose of the Guaranty Association.

Illinois, Louisiana, Mississippi, and the District of Columbia made changes to their Guaranty Association coverage limits, summarized in the table below. Missouri updated the address for the Department of Insurance. Virginia updated the website address for the Department of Insurance and provided a new address for the Guaranty Association.



State	Type of Insurance	Coverage Limit
Illinois	<b>Life Insurance</b>	\$300,000 (death benefits) \$100,000 (cash surrender or withdrawal values)
	<b>Annuities</b>	\$250,000 (cash surrender and withdrawal values)
	<b>Health Insurance</b>	\$300,000 (disability insurance benefits) \$300,000 (long-term insurance benefits) \$500,000 (hospital, medical and surgical insurance benefits)
	The address of the Illinois Life and Health Insurance Guaranty Association was changed to 1520 Kensington Road, Suite 112, Oak Brook, IL 60523-2140.	
Louisiana	<b>Life Insurance</b>	\$300,000 (death benefits) \$100,000 (cash surrender and cash withdrawal values)
	<b>Annuities</b>	\$250,000 (cash surrender and cash withdrawal values)
	<b>Health</b>	\$500,000
	The maximum amount of protection for any one insured life is five hundred thousand dollars (\$500,000). Structured settlement annuities are added as a type of insurance protected by the Association.	
Mississippi	<b>Life Insurance</b>	\$300,000 (death benefits) \$100,000 (net cash surrender and net cash withdrawal values)
	<b>Annuities</b>	\$250,000 (net cash surrender and net cash withdrawal values)
	<b>Health Insurance</b>	\$500,000 (basic hospital, medical and surgical or major medical benefits) \$300,000 (disability benefits) \$300,000 (long-term care insurance benefits) \$100,000 (other types of health insurance)



District of Columbia	<b>Life Insurance</b>	\$300,000 (death benefits for any one life, including net cash surrender or net cash withdrawal values)
	<b>Annuities</b>	<p>\$300,000 (present value of annuity benefits, including net cash surrender or net cash withdrawal values)</p> <p>\$300,000 (present value of structured settlement annuity benefits, including net cash surrender or net cash withdrawal values)</p>
	<b>Health Insurance</b>	<p>\$300,000 (long-term care insurance benefits)</p> <p>\$300,000 (disability insurance benefits)</p> <p>\$500,000 (basic hospital, medical, and surgical insurance, or major medical insurance benefits)</p> <p>\$100,000 (coverage not defined as disability insurance or basic hospital, medical and surgical insurance or major medical insurance or long term care insurance including any net cash surrender and net cash withdrawal values)</p>
	<p>In no event is the Guaranty Association liable for more than \$300,000 in benefits with respect to any one life (\$500,000 in the event of basic hospital, medical and surgical insurance or major medical insurance).</p> <p>Additionally, the Guaranty Association is not obligated to cover more than \$5,000,000 for multiple non-group policies of life insurance with one owner of regardless of the number of policies owned.</p> <p>The Bulletin also provides examples of exclusions from coverage.</p>	
	<p>The contact information is as follows:</p> <p>District of Columbia Life and Health Guaranty Association 1200 G Street, N.W., Washington, DC 20005 <a href="http://www.dclifega.org">www.dclifega.org</a> (202) 434-8771</p> <p>District of Columbia Department of Insurance, Securities and Banking 810 First Street, N.E., Suite 701 Washington, DC 20002 (202) 727-8000</p>	
Missouri	The new address for the Missouri Department of Insurance is 301 West High Street, Room 530, Jefferson City, Missouri 65101	
Virginia	The new website address for the Virginia Department of Insurance is	



	<a href="http://scc.virginia.gov/boi/index.aspx">http://scc.virginia.gov/boi/index.aspx</a>
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and the new address for the Guaranty Association is

VIRGINIA LIFE, ACCIDENT AND SICKNESS INSURANCE GUARANTY ASSOCIATION  
c/o APM Management Services, Inc.  
1503 Santa Rosa Road, Suite 101  
Henrico, VA 23229-5105

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